

# City of Detroit


## CITY COUNCIL

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TO: The Honorable Public Health & Safety Standing Committee  
Council President Pro Tempore Gary Brown, Chair

FROM: David Whitaker   
Research & Analysis Division Staff

DATE: March 16, 2010

RE: **POLICIES RELATIVE TO THE FORECLOSURE OF PROPERTY  
DUE TO UNPAID WATER AND SEWERAGE AND/OR SOLID  
WASTE FEES**

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The Research & Analysis Division (RAD) was requested by the Public Health & Safety Standing Committee to research and report on the current practices relative to the foreclosure of property due to unpaid water and sewerage amounts or solid waste fees. In summary:

- The City of Detroit does not foreclose upon property for unpaid water and sewerage bills or the solid waste fee. The accounts are sent to the City Treasurer for collection then forwarded to the County for foreclosure if they remain unpaid and are placed on the tax bill.
- The Wayne County Treasurer's Office will foreclose on property with delinquent water and sewerage and/or solid waste fees only if the property has delinquent property taxes. If there are no delinquent property taxes or the resident pays the delinquent property tax amount, the water and sewerage and/or solid waste fees are returned to the City for collection.

According to Department of Water and Sewerage (DWSD), all customers receive bill inserts with the June mailings whether the account is delinquent or current. These inserts provide information including payment options and contact numbers. When an account becomes delinquent, a July mailing is sent outlining the amount owed and notifying the customer that the delinquent amount will appear on the winter tax bill if it remains unpaid. Customers have ten (10) days to make a full payment or arrange a payment plan with DWSD. Generally, an additional one to two weeks lapse (in addition to the ten days) before the delinquent account is forwarded to the City Treasurer's Office for collection. This normally occurs in August. The City Treasurer forwards another

dunning letter requesting payment of the delinquent amount. If the account remains outstanding, it appears on the winter tax bill, which is forwarded to residents in December. If the tax bill is unpaid, it is transferred to the Wayne County Treasurer's Office March 1<sup>st</sup> of the following year thereby entering the foreclosure cycle.

According to the Wayne County Treasurer's Office, it does not foreclose on delinquent tax bills that only have outstanding water amounts and/or solid waste fees, it must have delinquent property taxes. If a property owner pays the delinquent property tax amount the County will forward the delinquent water and/or garbage amounts back to the City for collection. Another important distinction is that the County has been foreclosing delinquent water bills since the early 1900s while it has only been dealing with the solid waste fee within the last five years.

In conclusion, the County will not foreclose and auction property solely for delinquent solid waste fees or water amounts. These properties are forwarded back to the City for collection through the City Treasurer's office. However, if the delinquent garbage or water bills are accompanied by delinquent property tax amounts, the County will allow the property to proceed in the foreclosure cycle.